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 VISTAN CORPORATION

16 **UNITED STATES DISTRICT COURT**

17 **NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION**

18 VISTAN CORPORATION,  
 19 Plaintiff,

20 v.  
 21 FADEI USA, INC., PAN AMERICAN  
 ENGINEERING and EQUIPMENT CO.,  
 INC., MANUEL SILVA, and MARIANI  
 PACKING CO., INC.,

22 Defendants.

23 FADEI USA, INC., PAN AMERICAN  
 24 ENGINEERING and EQUIPMENT CO.,  
 INC., MANUEL SILVA, and MARIANI  
 25 PACKING CO., INC.,

26 Counterclaimants,

27 v.  
 28 VISTAN CORPORATION,  
 Counterdefendant.

CIVIL ACTION  
 NO. 10-4862 JCS

**DECLARATION OF ROBERT A.  
 McFARLANE IN SUPPORT OF  
 PLAINTIFF VISTAN CORPORATION'S  
 MOTION FOR RELIEF PURSUANT TO  
 FEDERAL RULE OF CIVIL  
 PROCEDURE 56(d)**

Date: September 28, 2012  
 Time: 9:30 a.m.  
 Dept: Courtroom G, 15<sup>th</sup> Floor  
 Judge: Hon. Joseph C. Spero

1 I, Robert A. McFarlane, do declare and state as follows:

2 1. I am counsel of record for Vistan Corporation ("Vistan") in the above-captioned  
 3 action and make this Declaration in support of Vistan's Motion for Continuance of Summary  
 4 Judgment Pursuant to Federal Rule of Civil Procedure 56(d). This declaration describes the  
 5 discovery that Vistan needs to fully oppose Defendants' motion for summary judgment and the  
 6 efforts Vistan has undertaken to try to secure such discovery. I have personal knowledge of the  
 7 facts stated in this declaration and, if called upon, could and would competently testify to them.  
 8 All of the matters stated here are known to me personally, unless stated on information and belief;  
 9 and with regard to those statements, I am informed and reasonably believe them to be true.

10 **Facts Relating to the "Active Assembly"**

11 2. Defendants' summary judgment motion claims that they are entitled to summary  
 12 judgment of non-infringement because the Fadei prune pitting machines accused of infringement  
 13 do not have an "active assembly" as that claim term is used in claims 5 and 12 of the '949 Patent  
 14 and, more specifically, because the relevant part of the accused machines do not move "in  
 15 response to control signals," that "there is no control 'signal' that can be adjusted to control when  
 16 the pockets close in relation to when pitting occurs," and that the "Accused Pitters are distinct  
 17 from the patented technology because they work without the need for control signals or timing  
 18 systems." Defs' Motion, at pp. 15-16.

19 3. Vistan hopes to gain facts through additional discovery in this matter that would  
 20 demonstrate the existence of control signals in the accused prune pitting machines and that would  
 21 contradict the Defendants' statements that the machines do not have control signals as used in the  
 22 patent pursuant to the Court's claim construction. Documents made available through discovery in  
 23 this case demonstrate that these are additional facts likely to exist in documents not yet produced  
 24 or through deposition testimony of pertinent witnesses.

25 4. First, I understand that materials reviewed by our expert witness, Professor  
 26 Timothy Bowser, including website postings and video appearing to show Fadei prune pitting  
 27 machines in operation show that the Fadei automated prune pitting machines include SEW

1 Eurodrives. These materials are submitted herewith as exhibits to Professor Bowser's Professor  
2 Bowser's declaration in support of Vistan's opposition to Defendants' summary judgment. I am  
3 informed and believe that as set forth in Professor Bowser's declaration at paragraphs 80 to 90  
4 that these materials support the presence in the accused prune pitting machines of controllers that  
5 generate control signals as that term is used in the patent.

6 5. Second, certain documents produced by Defendants, including what appears to be  
7 an invoice from Fadei USA, Inc. to Mariani Packing Company concerning the accused pitting  
8 machines, refer to a SEW Eurodrive controller being delivered to Mariani. *See* Exh. 9, attached  
9 hereto. Again, I am informed and believe that the presence of these controllers in the accused  
10 prune pitting machines would provide support for the presence of control signals that would  
11 contradict Defendants' assertion that the accused pitting machines do not have control signals as  
12 used in the '949 Patent as is set forth by Professor Bowser.

13 6. Third, Defendants have produced documents that I am informed and believe  
14 suggest Mariani employee Ben Rutter worked on aspects of the accused machines that employ  
15 control signals, including, potentially, the operation of the "active assembly." *See* Exh. 10,  
16 attached hereto.

17 7. Vistan broadly requested that Defendants provide all documents relating to the  
18 design, engineering, operation and function of the accused products, and Defendants committed to  
19 producing such documents. *See* Exhs. 5, 6, 7, and 8, attached hereto (Requests for Production  
20 Nos. 23 and 25 to Fadei, 20 and 21 to Mariani, 23 and 25 to Pan American and 22 and 24 to  
21 Silva).

22 8. It does not appear that Defendants have provided complete discovery on the  
23 functioning or use of the Eurodrives or use of control signals in the accused prune pitting  
24 machines. Defendants have not produced technical specifications, manuals, schematics or other  
25 typical documents that would explain the function and use of the Eurodrives within the accused  
26 machines, including the use of control signals they generate in operating the machines.

27 9. Additionally, following the Court's Claim Construction Order that implicated the  
28

1 use of control signals, Vistan wrote to Defendants on June 1, 2012 to specifically request evidence  
 2 pertaining to the design, engineering, operation, and function of the Fadei machines. This request  
 3 notified Defendants that they had not produced evidence pertaining to control signals and  
 4 specifically requested production of such information in response to the outstanding document  
 5 requests. *See* Exh. 19, attached hereto.

6       10. Defendants responded on June 15 by simply stating that each defendant had  
 7 "performed diligent searches of the documents within their respective possession, custody, and  
 8 control and produced all documents that were responsive to Vistan's unobjectionable document  
 9 requests. That said, Defendants recognize their ongoing discovery obligations to produce  
 10 documents and will produce any additional, responsive documents that they discovery during their  
 11 ongoing efforts." *See* Exh. 22, attached hereto.

12       11. Additionally, Defendants' June 15 letter stated that "Please note that Mariani  
 13 intends to make a further production of documents next week, including responsive documents  
 14 that may be responsive to the follow up requests stated in [the June 1 letter and additional  
 15 discovery letters from Vistan dated June 5 and 6]." *Id.*

16       12. We have not received any further production of documents from either Mariani or  
 17 the other Defendants since Defendants' June 15 letter.

18       13. Because Defendants' document production appeared to be missing numerous  
 19 categories of documents, including those relating to the control signals as described above, Chris  
 20 Walters, at my direction, sent a letter to Defendants on July 16 asking that their counsel explain  
 21 the scope of their search for responsive documents. *See* Exh. 23, attached hereto. We did not  
 22 receive a response to this request from Defendants' counsel.

23       14. There is reason to believe based on the above recitation that facts exist that would  
 24 support Vistan's infringement allegations, including facts supporting the presence within the  
 25 accused machine of control signals that would fall within the scope of the "active assembly" claim  
 26 limitation as it has been construed by the Court and that would contradict Defendants' contention  
 27 on this motion that there are no such control signals. Vistan hopes to obtain these facts through  
 28

1 document discovery, and then through depositions of defendants' employees such as Mr. Rutter  
2 regarding the machines' use of control signals, the documents produced to date and further  
3 documents that we have reason to believe will be produced.

4       15.    If the Court grants Vistan's Rule 56(d) motion, I believe it likely that we will be  
5   able to provide further admissible evidence on behalf of Vistan concerning the accused machines'  
6   use of control signals. Additionally, not only will further fact discovery likely produce admissible  
7   evidence to oppose summary judgment, but it will also allow Vistan to provide its own experts  
8   with sufficient materials to fully develop opinions on the issue of infringement. This evidence is  
9   essential to Vistan's opposition to summary judgment because Defendants claim that the accused  
10   machines' use of control signals is a dispositive issue.

## Expert Discovery and Testimony

12        16. Defendants largely base their motion for summary judgment on the declaration of  
13 their retained expert, Richard Klopp. Defendants did not disclose the opinion on which they rely  
14 for summary judgment until they served Klopp's declaration with their summary judgment motion.  
15 Therefore, and because the parties have not yet exchanged expert reports pursuant to Rule 26 or  
16 engaged in expert discovery, Vistan has not yet had the opportunity or reason to cross-examine Dr.  
17 Klopp regarding the basis for his opinions. If afforded the opportunity to depose Dr. Klopp, I  
18 expect that his deposition will provide admissible evidence for its use in opposing Defendants'  
19 summary judgment motion.

## **Facts Relating to Modifications to the Accused Pitters**

21        17. Defendants' summary judgment motion addresses the Accused Pitters as if they  
22 have been a single machine with uniform characteristics over time. And, as noted, Defendants  
23 have argued that there is no infringement because the Accused Pitters, as a whole, do not employ  
24 control signals or contain certain required parts of the active assembly as the Court has construed  
25 that claim. Yet, Defendants have admitted that design elements of the Fadei pitting machines have  
26 been altered over time. *See* Exhs. 15, 17, 22, and 24, attached hereto. Defendants' interrogatory  
27 responses state that a machine Model M292, Serial No. 725, which I am informed and believe was

1 inspected by Vistan representatives in September 2010, differed from a machine Model No.  
 2 M292, Serial No. 742, which I am informed and believe was inspected by Vistan representatives  
 3 in June 2011. *See* Exh. 24, attached hereto; Brown Decl., ¶¶ 17, 18, 22, 23, 25.

4       18.    Additionally, Defendants have asserted a blanket privilege under which they claim  
 5 that all attempts to modify the machines undertaken after the Early Neutral Evaluation in this case  
 6 are privileged and not subject to discovery. *See* Exhs. 25 and 15, attached hereto. Thus, as set  
 7 forth in the correspondence attached as exhibits hereto, Defendants have refused to supply  
 8 evidence of modifications. Accordingly, Vistan has a good faith belief that Defendants possess  
 9 documents or things that show that Fadei's machines have not been uniform over time. As a  
 10 result, additional discovery will result in evidence of how Fadei's machines have differed over  
 11 time, including evidence of alterations to portions of the machines that corresponds to the "active  
 12 assembly" recited in claims 5 and 12 of the '949 Patent. This evidence is critical to Vistan's ability  
 13 to introduce evidence of infringement, which is in turn essential to opposing Defendants' motion  
 14 for summary judgment.

15       19.    Vistan has diligently sought from Defendants evidence of, among many other  
 16 things, the research and development, design, configuration, testing and engineering of all  
 17 versions of Fadei's prune pitting machines, as shown in the discovery requests and correspondence  
 18 attached as exhibits hereto. But, there is reason to believe as set forth above that responsive  
 19 documentation has not been provided. If necessary, Vistan will seek the Court's intervention in  
 20 the parties' discovery disputes to secure Defendants' compliance. Until such time, Vistan lacks all  
 21 of the above-described materials necessary to completely oppose summary judgment.

22       20.    For all of the reasons set forth above, additional fact and expert discovery will  
 23 likely result in gathering materials that will allow Vistan to further demonstrate that Fadei's prune  
 24 pitting machines in fact have an "active assembly" as defined by the Court because, *inter alia*,  
 25 they may employ control signals as used in the claim.

26       21.    Attached hereto as Exhibit 1 is a true and correct copy of excerpts from Vistan's  
 27 first set of requests for production of documents to Fadei USA, Inc.

1       22. Attached hereto as Exhibit 2 is a true and correct copy of excerpts from Vistan's  
2 first set of requests for production of documents to Mariani Packing Co., Inc.

3       23. Attached hereto as Exhibit 3 is a true and correct copy of excerpts from Vistan's  
4 first set of requests for production of documents to Pan American Equipment and Engineering  
5 Co., Inc.

6       24. Attached hereto as Exhibit 4 is a true and correct copy of excerpts from Vistan's  
7 first set of requests for production of documents to Manuel Silva.

8       25. Attached hereto as Exhibit 5 is a true and correct copy of excerpts from Vistan's  
9 second set of requests for production of documents to Fadei USA, Inc.

10       26. Attached hereto as Exhibit 6 is a true and correct copy of excerpts from Vistan's  
11 second set of requests for production of documents to Mariani Packing Co., Inc.

12       27. Attached hereto as Exhibit 7 is a true and correct copy of excerpts from Vistan's  
13 second set of requests for production of documents to Pan American Equipment and Engineering  
14 Co., Inc.

15       28. Attached hereto as Exhibit 8 is a true and correct copy of excerpts from Vistan's  
16 second set of requests for production of documents to Manuel Silva.

17       29. Attached hereto as Exhibit 9 is a true and correct copy of a document produced to  
18 Vistan by Mariani Packing Co. that, to the best of my information and belief, relates to the  
19 accused prune pitting machines.

20       30. Attached hereto as Exhibit 10 is a true and correct copy of an email communication  
21 produced to Vistan by Mariani Packing Co. that, to the best of my information and belief, relates  
22 to the accused prune pitting machines.

23       31. The parties scheduled a conference of counsel for February 29, 2012 at 2 p.m. at  
24 the offices of Hanson Bridgett to discuss discovery issues. Attached hereto as Exhibit 11 is a true  
25 and correct copy of correspondence dated February 22, 2012, sent pursuant to my direction by my  
26 colleague, Christopher Walters, to Defendants' attorneys of record that sets forth Vistan's concerns  
27 with Defendants' discovery compliance that Vistan intended to discuss at the parties' meeting.

1 Because Defendants' have taken the position that design changes to the Fadei machines that have  
 2 been made, attempted, or contemplated after the parties participated in an early neutral evaluation  
 3 session in July 2011 are completely shielded from disclosure, we have redacted certain portions of  
 4 this and other correspondence between the parties that refers to the ENE session and Defendants'  
 5 arguments about privileges purportedly created by that session.

6       32.     Attached hereto as Exhibit 12 is a true and correct copy of correspondence dated  
 7 February 24, 2012 from Defendants' attorneys to Mr. Walters in which Defendants state that they  
 8 are "indefinitely postponing" the parties' mutually agreed-upon conference of counsel.

9       33.     Attached hereto as Exhibit 13 is a true and correct copy of correspondence dated  
 10 February 27, 2012 from Mr. Walters, sent pursuant to my direction, to Defendants' attorneys.

11       34.     Attached hereto as Exhibit 14 is a true and correct copy of correspondence dated  
 12 February 28, 2012 from Defendants' attorneys to Mr. Walters in which Defendants state that the  
 13 parties' planned conference of counsel "was never Vistan's meeting" and that it was "improper and  
 14 not well taken" for Vistan to raise discovery issues at a meeting initially requested by Defendants.

15       35.     Attached hereto as Exhibit 15 is a true and correct copy of correspondence dated  
 16 March 2, 2012 from Defendants' attorneys to Mr. Walters (with redactions as explained in  
 17 paragraph 31).

18       36.     Attached hereto as Exhibit 16 is a true and correct copy of correspondence dated  
 19 March 16, 2012 from Mr. Walters, sent pursuant to my direction, to Defendants' attorneys (with  
 20 redactions as explained in paragraph 31).

21       37.     Attached hereto as Exhibit 17 is a true and correct copy of correspondence dated  
 22 March 30, 2012 from Defendants' counsel to Mr. Walters (with redactions as explained in  
 23 paragraph 31).

24       38.     Attached hereto as Exhibit 18 is a true and correct copy of correspondence dated  
 25 May 9, 2012 from Mr. Walters, sent pursuant to my direction, to Defendants' attorneys that  
 26 itemizes each category of documents Defendants had committed to produce, but have failed to  
 27 produce.

1       39. Attached hereto as Exhibit 19 is a true and correct copy of correspondence dated  
 2 June 1, 2012 from myself to Defendants' attorneys requesting the production of documents related  
 3 to control signals in the accused pitting machines.

4       40. Attached hereto as Exhibit 20 is a true and correct copy of correspondence dated  
 5 June 5, 2012 from myself to Defendants' attorneys related in part to Defendants' failure to produce  
 6 any documents related to modifications to the accused pitting machines.

7       41. Attached hereto as Exhibit 21 is a true and correct copy of correspondence dated  
 8 June 6, 2012 from myself to Defendants' attorneys that itemizes each category of documents  
 9 Defendants had failed to produce either wholly or partially (with redactions as explained in  
 10 paragraph 31).

11       42. Attached hereto as Exhibit 22 is a true and correct copy of correspondence dated  
 12 June 15, 2012 from Defendants' attorneys to myself (with redactions as explained in paragraph  
 13 31).

14       43. Attached hereto as Exhibit 23 is a true and correct copy of correspondence dated  
 15 July 16, 2012 from Mr. Walters, sent pursuant to my direction, to Defendants' attorneys.

16       44. Attached hereto as Exhibit 24 is a true and correct copy of excerpts from Fad ei  
 17 USA, Inc.'s responses to Vistan's first set of interrogatories.

18       45. Attached hereto as Exhibit 25 is a true and correct copy of excerpts from Fad ei  
 19 USA, Inc.'s responses to Vistan's second set of requests for production of documents.

20       I declare under the penalty of perjury under the laws of the United States of America that  
 21 the foregoing is true and correct.

23       Executed this 24th day of August, 2012 at San Francisco, California.

24       

25       Robert A. McFarlane